

Panama Canal Commission

any translation thereof into another language, the English language meaning shall control.

(End of clause)

3552.225-71 Notice of Applicability of United States Federal Law.

As prescribed in 3525.801-76(b), insert the following clause:

NOTICE OF APPLICABILITY OF UNITED STATES
FEDERAL LAW (JAN 1990)

All matters relating to the validity, construction, interpretation, performance and enforcement of the contract shall be determined in accordance with applicable federal law of the United States of America.

(End of clause)

3552.225-72 Designated Contractors.

As prescribed in 3525.801-76(c), insert the following clause:

DESIGNATED CONTRACTORS (JAN 1990)

Article XI, "Contractors and Contractors' Personnel," of the Agreement in Implementation of Article III of the Panama Canal Treaty of 1977, prescribes, among other things, that—

(a) Whenever contracts are awarded by the Commission to natural persons who are nationals or permanent residents of the United States or to corporations or other legal entities organized under the laws of the United States and under the effective control of such persons, such contractors shall be so designated by the United States and such designations shall be communicated to the authorities of the Republic of Panama.

(b) Designated contractors shall be subject to the laws and regulations of the Republic of Panama except with respect to the special provisions established by the above named international agreement, which enumerate such obligations and benefits as, among others:

(1) Designated contractors must, while in Panama, engage exclusively in the work for which they have been contracted by U.S. Government agencies; and,

(2) Designated contractors shall be accorded the same rights established for U.S. citizens employed by the U.S. Government in Panama pertaining to Panamanian immigration requirements, relief from the payment of certain Panamanian taxes and duties, and the use of certain facilities located on U.S. military installations in Panama.

(c) The provisions of Article XI shall be similarly applied to the subcontractors and to the employees of the contractors and subcontractors and their dependents who are nationals or residents of the United States. These employees and dependents shall not be

3552.227-70

subject to the Panamanian Social Security System.

(d) Upon withdrawal of the designation of a contractor, the Commission shall notify the authorities of the Republic of Panama.

(End of clause)

3552.225-73 Responsibility for Observance of Laws, Orders, and Regulations.

As prescribed in 3525.801-76(d), insert the following clause:

RESPONSIBILITY FOR OBSERVANCE OF LAWS,
ORDERS, AND REGULATIONS (JAN 1990)

The Contractor shall be responsible for complying with all applicable laws, regulations, standards and requirements, including traffic and vehicular laws and regulations, prescribed by the Republic of Panama for contractors performing work for the Panama Canal Commission (hereinafter referred to as the Commission). The Contractor shall similarly be responsible for complying with all laws, Executive Orders, and United States Government rules and regulations which the Commission, as an agency of the United States Government performing work in the Republic of Panama, is required to follow. The areas of legal competence have been agreed to between both countries pursuant to and in accordance with the Panama Canal Treaty of 1977, including such executive agreements and implementing legislation as may be in effect. Failure of the Contractor to familiarize himself with all laws, orders, rules, regulations or standards promulgated by either country, which are or may become applicable to the work under this contract, shall not constitute a basis for adjustments under the contract.

(End of clause)

3552.227-70 Government Rights.

As prescribed in 3527.304-3(b), insert the following clause:

GOVERNMENT RIGHTS (JAN 1990)

The Contractor may retain the entire right, title, and interest, throughout the world, to all drawings, designs, specifications, notes, and other works developed in the performance of this contract, provided that the Government shall have a nonexclusive, nontransferable, irrevocable, paid-up license to have and to use same on any other Government design or construction, and provided that the Contractor shall execute or have executed, upon request, and shall promptly deliver to the Federal agency, all instruments necessary to establish or to confirm said license.

(End of clause)

3552.228-70 Bid Guarantee Amount.

As prescribed in 3528.101-3(a), insert the following clause:

BID GUARANTEE AMOUNT (JAN 1990)

(a) The amount of the bid guarantee required by clause 52.228-1, Bid Guarantee, shall be 20 percent of the total amount of the bid, excluding options and additives if any, or \$3,000,000, whichever is less.

(b) If the bidder elects to furnish the guarantee in the form of a bid bond, the bond shall be submitted on Standard Form 24. Corporations executing the bond as sureties must be among those appearing on the current U.S. Treasury Department Circular 570, entitled "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies", and must be acting within the limitations set forth therein. If the contract work is to be performed in Panama, corporations that appear on the Panama Canal Commission's list of locally acceptable sureties, and that act within the limitations set forth therein, may be used in lieu of those appearing on Circular 570.

(End of clause)

3552.228-71 Bonds and Insurance.

As prescribed in 3528.102-3, insert the following clause:

BONDS AND INSURANCE (JAN 1990)

The bidder who is awarded the contract shall be required to furnish performance and payment bonds, certificates of Workman's Compensation, if required, and public liability and automobile insurance as stipulated in the General Conditions. The payment by the Commission of the bond premiums to the Contractor shall not be made as increments of the individual progress payments and shall not be in addition to the contract price.

(End of clause)

3552.228-72 Bonds.

As prescribed in 3528.102-3, insert the following clause:

BONDS (JAN 1990)

(a) Corporations executing the bond as sureties must be among those appearing either on the Panama Canal Commission's list of locally acceptable sureties or on the U.S. Treasury Department's Circular 570, and must be acting within the limitations set forth therein.

(b) *Payment Bond:* If the contract exceeds \$2,000, the Contractor shall furnish a payment bond with good and sufficient surety or

sureties acceptable to the Commission for the protection of persons furnishing material or labor in connection with the performance of the work under this contract on Standard Form 25-A. The penal sum of such payment bond shall be as follows: (1) When the contract price is \$1,000,000 or less, 50 percent of the contract price; (2) when the contract price is in excess of \$1,000,000, but no more than \$5,000,000, 40 percent of the contract price; (3) or \$2,500,000 when the contract price is more than \$5,000,000.

(c) *Performance Bond:* If the contract exceeds \$2,000, the Contractor shall furnish a performance bond with good and sufficient surety or sureties acceptable to the Commission in connection with the performance of the work under this agreement on Standard Form 25. The penal sum of such performance bond shall be 100 percent of the contract price.

(d) The bonds herein shall not be dated prior to the date of the contract and shall be furnished by the Contractor to the Commission not later than 10 calendar days after award.

(End of clause)

3552.228-73 Non-U.S. Workers' Compensation Insurance.

As prescribed in 3528.309(a), insert the following clause:

NON-U.S. WORKERS' COMPENSATION INSURANCE (JAN 1990)

(a) Pursuant to a waiver granted by the Secretary of Labor, the provisions of the Defense Base Act (see clause 52.228-3) are not applicable to any public-work contract awarded by the Panama Canal Commission in the Panama Canal area with respect to non-U.S. citizen employees of Commission contractors. The waiver does not apply, however, to such employees who are:

(1) Hired in the United States by any contractor; or

(2) Residents of the United States.

(b) The waiver was granted with the proviso that non-U.S. citizen employees exempted from the provisions of the Defense Base Act by virtue of the waiver will be provided workers' compensation benefits prescribed in the Panamanian Social Security System. Accordingly, the Contractor shall provide workmen's insurance coverage (Seguros de Riesgos Profesionales) as provided by the Panamanian Social Security System in accordance with Cabinet Decree No. 68 of March 31, 1970, for all non-U.S. citizen employees that are not covered by clause 52.228-3 of this contract. The Seguro de Riesgos Profesionales coverage shall be provided before the Contractor commences performance and shall be maintained until performance is completed.